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3621

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

Appellants: Wong et al.

Title: PRODUCT SELLING AND  
PRICING SYSTEM AND  
METHOD

Appl. No.: 10/001,580

Filing Date: 11/01/2001

Examiner: Elisca, Pierre Eddy

Art Unit: 3621

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Roberta A. Cooper

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(Signature)

**APPEAL BRIEF**

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Sir:

Transmitted herewith are the following documents for the above-identified application.

Brief on Appeal (16 pages).

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The Commissioner is hereby authorized to charge any additional fees which may be required regarding this application under 37 C.F.R. §§ 1.16-1.17, or credit any overpayment, to Deposit Account No. 06-1447. Should no proper payment be enclosed herewith, as by a check being in the wrong amount, unsigned, post-dated, otherwise improper or informal or even entirely missing, the Commissioner is authorized to charge the unpaid amount to Deposit Account No. 06-1447.

Respectfully submitted,

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Application Serial No. 10/001,580

001.1797065.1

**1. REAL PARTY IN INTEREST**

The real party in interest is palmOne, Inc. of Milpitas, CA. palmOne, Inc. holds title to the present Application.

**2. RELATED APPEALS AND INTERFERENCES**

There are no related appeals or interferences that will directly affect, be directly affected by, or have a bearing on the present appeal, that are known to Appellants or Appellants' patent representative.

**3. STATUS OF CLAIMS**

The present appeal is directed to Claims 1, 2, 5-20, 22, and 24-29, all of which stand rejected pursuant to a final Office Action dated October 26, 2004.

**4. STATUS OF AMENDMENTS**

Claims 1, 2, 5-20, 22, and 24-29 were pending in the application when a final Office Action dated October 26, 2004 was issued.

No amendments to the claims have been made subsequent to the final Office Action dated October 26, 2004.

**5. SUMMARY OF CLAIMED SUBJECT MATTER**

The present invention relates generally to a system and method for selling or pricing a product (300). The system includes a data collection system (304) configured to collect data relating to an object (312), and a pricing (risk assessment) system (400) in communication with the data collection system (304). The pricing system (400) is configured to sell or price the product (See, e.g., Specification, par. [0034]) in accordance with the data relating to the object (312).

As such, the invention relates generally to a system and method which would allow for finer, more accurate risk assessments. It also provides a system and method which would allow for changing, and/or real-time risk assessments. It further provides an advantageous system and method for pricing or automatically selling a product based on directly observable or calculable personal, individualized, and/or real-time information, and using this information and comparing it to established industry specific tables. Such systems and methods may advantageously provide more accurate calculations of product pricing, higher profits for the provider, lower prices for the customer, etc.

Independent Claim 1 relates to a system (300) for selling or pricing an insurance product (See, e.g., Specification, pars. [0033] - [0034]). The system includes an object (312) that is insured or capable of being insured by the insurance product (See, e.g., Specification, pars. [0033] - [0034]). The system also includes a wireless communications system (304) (See also, Specification pars. [0037]-[0038]) at the same location as the object (312). The system further includes a location determining system (50, 114, 302) associated with the object (312) and capable of determining the object's location at any time. Further still, the system includes a data collection system (304) configured to collect data at predetermined intervals from the location determining system (50, 114, 302), the data including a present location of the object determined from the location determining device; and a pricing system (400, 200, 600) (See also, Specification, pars. [0030] and [0040]) in communication with the data collection system. The pricing system is configured to price or sell the insurance product, based on the data.

Independent Claim 10 relates to a system for selling or pricing an insurance product. The system includes an object (112) that is insured or is capable of being insured by the insurance product. The system also includes a wireless communications system (110) coupled to the object (112). The system further includes a location determining system (114) coupled to the object (112) and capable of determining the object's location when predetermined conditions are met. Further still, the system includes a data collection system (100) configured to collect data from the wireless communications system (110, 120), the data including the object's present location

determined from the location determining device (114, 50). Yet further still, the system includes a pricing system (200) in communication with the data collection system (100), the pricing system (200) configured to price or sell the insurance product (see e.g., Specification, pars. [0023]), based on the data including the location of the object (112). The pricing system (200) communicates the price of the insurance product to an owner of the object (See, e.g., FIG. 3 and Specification, pars. [0041] and [0042]).

Independent Claim 16 relates to a method of monitoring usage of a product (312) for application of a product warranty. The method includes monitoring operational data relating to the product with an operational monitoring system (302) while the product is in use by a user of the product (312). The method also includes communicating the operational data to a usage monitoring system (304) using a remote communications (110, 120, 140) means coupled to the operational monitoring system (304). The method further comprises recording the operational data relating to the use of the product (312) by the usage monitoring system (200). Further still, the method includes comparing the operational data to at least one operational specification relating to the product usage (See, e.g., Specification, par. [0039]) and determining whether terms of the product warranty have been altered based on the comparison (See, e.g., Specification, par. [0039]).

Independent claim 18 relates to a method for pricing an insurance product. The method includes receiving information from a global positioning system (GPS) receiver (114) coupled with an object (112), the information is received from the remote transceiver (120) that is in communication with the GPS receiver (114), the information includes a location of the object (112). Further, the method includes collecting the information in a database (e.g. 100, 304). Further still, the method includes generating the price of the insurance product based on the information collected in the database (200, and See, Specification, par.[0030]).

Independent claim 24 relates to a processing system. The processing system includes a receiver (120) configured to continuously receive data relating to an insurance product at predetermined periodic intervals, the insurance product insuring an object (112). The receiver

(120) receives the data representative of the location of the object (112). The system also includes a central processing unit (CPU) (200) coupled to the receiver and a storage device (100) coupled to the CPU, and having stored there information for configuring the CPU to generate correlated data by correlating the received data to actuarial data (See, e.g., Specification, par. [0030]), and to generate a price in accordance with the correlated data which takes into account, in the price, the location of the product during a defined period of time which spans a plurality of periodic intervals (See, e.g., Specification, par. [0030]).

Independent claim 25 relates to a processing system. The system includes a receiver (304) configured to receive data relating to the state of an object (312) at predetermined periodic intervals (See, e.g., Specification par. [0036]). The system also includes a central processing unit (CPU) (304) coupled to the receiver (304) and a storage device (304) coupled to the CPU (304), and having stored there information for configuring the CPU (304) to collect operational specification data relating to a warranty (See, e.g., Specification, par. [0035]), and to compare the received data relating to the state of the object(312), to the operational specification data relating to the warranty (See, e.g., Specification, par. [0039]). Further still the system is configured for determining whether the terms of the warranty have been breached based on the comparison. Id. The system is further still configured for indicating to an owner of the object, the determination (See, e.g., Specification, par. [0042]).

## **6. GROUND OF REJECTION TO BE REVIEWED ON APPEAL**

The issues on appeal are (1) whether the Examiner erred in rejecting Claims 1, 2, 5-7, 10-14, 16-20, 22, and 24-29 as being unpatentable over U.S. Patent No. 5,933,813 (Teicher et al.) and U.S. Patent No. 6,507,823 (Nel) in view of U.S. Patent No. 6,725,201 (Joao) under 35 U.S.C. § 103(a) and (2) whether the Examiner erred in rejecting Claims 8, 9, 15, and 18 over Teicher et al., Nel, Joao, in view of U.S. Patent No. 5,227,874 (Von Kehorn).

## **7. ARGUMENT**

### **A. LEGAL STANDARDS**

Claims 1, 2, 5-20, 22, and 24-29 have been rejected under 35 U.S.C. § 103(a), which states:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

The legal standards under 35 U.S.C. § 103(a) are well-settled. Obviousness under 35 U.S.C. § 103(a) involves four factual inquiries: 1) the scope and content of the prior art; 2) the differences between the claims and the prior art; 3) the level of ordinary skill in the pertinent art; and 4) secondary considerations, if any, of nonobviousness. See *Graham v. John Deere Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966).

In proceedings before the Patent and Trademark Office, the Examiner bears the burden of establishing a *prima facie* case of obviousness based upon the prior art. *In re Piasecki*, 745 F.2d 1468, 1471-72, 223 U.S.P.Q. 785, 787-88 (Fed. Cir. 1984). “[The Examiner] can satisfy this burden only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references.” *In re Fritch*, 972 F.2d 1260, 1265, 23 U.S.P.Q.2d 1780, 1783 (Fed. Cir. 1992).

As noted by the Federal Circuit, the “factual inquiry whether to combine references must be thorough and searching.” *McGinley v. Franklin Sports, Inc.*, 262 F.3d 1339, 60 USPQ.2d 1001 (Fed. Cir. 2001). Further, it “must be based on objective evidence of record.” *In re Lee*, 277 F.3d 1338, 61 USPQ.2d 1430 (Fed. Cir. 2002). The teaching or suggestion to make the claimed combination must be found in the prior art, and not in the Appellants’ disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ.2d 1438 (Fed. Cir. 1991). The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also

suggests the desirability of the combination. *In re Mills*, 916 F.2d 680, 16 USPQ.2d 1430 (Fed. Cir. 1990). “It is improper, in determining whether a person of ordinary skill would have been led to this combination of references, simply to ‘[use] that which the inventor taught against its teacher.’” Lee (citing *W.L. Gore v. Garlock, Inc.*, 721 F.2d 1540, 1553, 220 USPQ 303, 312-13 (Fed. Cir. 1983)).

**B. REJECTION OF CLAIMS 1, 2, 5-7, 10-14, 16-20, 22, and 24-29 under 35 U.S.C. §103(a) over Teicher et al., Nel, and Joao.**

In the final Office Action dated October 26, 2004, Claims 1, 2, 5-7, 10-14, 16-20, 22, and 24-29 were rejected under 35 U.S.C. § 103(a) as being obvious over U.S. Patent No. 5,933,813 (Teicher et al.) and U.S. Patent No. 6,507,823 (Nel) in view of U.S. Patent No. 6,725,201 (Joao).

**I. The Examiner’s rejection of Claims 1, 2, 5-7, 10-14, 16-20, 22, and 24-29 under 35 U.S.C. § 103(a) over Teicher et al., Nel, and Joao should be reversed because there is no suggestion to combine the teachings of Teicher et al., Nel, and Joao.**

To establish a prima facie case of obviousness based on a combination of prior art references under 35 U.S.C. § 103(a), the Examiner must first show that there is a suggestion or motivation to combine the teachings of those references. This may come in the form of some objective teaching in the prior art or, alternatively, knowledge generally available to one of ordinary skill in the art at the time of the invention that would lead that individual to combine the relevant teachings of the references. When the motivation to combine the teachings of the references is not immediately apparent, it is the duty of the Examiner to explain why the combination of the teachings is proper. *Ex parte Skinner*, 2 USPQ.2d 1788 (Bd. Pat. App. & Inter. 1986).

In this case, the Examiner has not shown – and indeed, cannot show – that there would have been any motivation or suggestion to one of skill in the art to combine general knowledge with the teachings of Teicher et al., Nel, and Joao. The Examiner indicated that in the abstract lines 1-10 of Teicher et al. it is stated that a data processor for promoting sales of products

includes price storage devices for storing basic price information and that the basic price information includes the basic price of the products. The Examiner also indicated that the product is interpreted as an object.

Appellants disagree with the application of the Teicher et al. reference in the rejection. The object and the insurance product are two completely different items in Appellants independent claims 1, 10, 18, and 24. Further, Appellants respectively submit that the product and the product warranty of claims 16 and the warranty and the object of claim 25 are different items as well. The fact that the Examiner is interpreting the product and the object as the same items is erroneous in application of the reference in the §103(a) rejection. The system for selling or pricing the insurance product based on the location of the object is not disclosed, taught or suggested by any proper combination of Teicher et al., Nel, and Joao. In the Teicher et al. reference, the location of the product and the products price itself are changed, possibly based on the location of the product. In Appellants' claims, the location of the object is determined and a price of a product which is different from the object, for example an insurance premium is based on the location of the object which is being insured by the insurance product. The sale price of the object is not being changed as in Teicher et al. The situation of Appellants' claims and the Teicher et al. reference are very different. Accordingly, because there is no teaching or suggestion of the limitations discussed above, no combination of references has provided the suggestion to combine the references. No combination of Teicher et al., Nel, and Joao provide any desirability for the claimed combination.

Because the Examiner has not shown that the purported motivation to combine the teachings of Teicher et al., Nel, and Joao has come from the reference itself or from knowledge generally available to one of ordinary skill in the art because the reference does not teach or suggest that the insurance product or the warranty product price are based on the location of an object that is being warranted or insured, the Examiner has not provided a proper case of obviousness.

The Examiner's alleged motivation is thus similar to reasoning which was held to be insufficient to support a motivation to combine teachings of cited references by the U.S. Court of Appeals for the Federal Circuit. *In re Lee*, 277 F.3d 1338, 61 USPQ.2d 1430 (Fed. Cir. 2002). In that case, the Board stated that the "conclusion of obviousness may be made from common knowledge and common sense of a person or ordinary skill in the art without any specific hint or suggestion in a particular reference." The Federal Circuit rejected this logic, stating that "neither the examiner nor the Board adequately supported the selection and combination of the . . . references to render obvious that which Lee described."

Without a proper motivation to combine the teachings of Teicher et al., Nel, and Joao and knowledge of one of ordinary skill in the art, it is apparent that hindsight reasoning has been used that relies on the Appellant's own disclosure as a roadmap.

Accordingly, the Appellants respectfully request reversal of the rejection of Claims 1, 2, 5-7, 10-14, 16-20, 22, and 24-29.

**II. The Examiner's rejection of Claims 1, 2, 5-7, 10-14, 16-20, 22, and 24-29 under 35 U.S.C. § 103(a) over knowledge of one of ordinary skill in the art in view of Teicher et al., Nel, Joao should be reversed because at least one limitation of each of these claims is not taught or suggested by the combination.**

The Examiner has rejected Claims 2, 20, and 21 under 35 U.S.C. § 103(a).

Appellants respectfully submit that none of Teicher et al., Nel, and Joao teach the pricing of an insurance product based on the location of an object. Appellants would like to clarify that the object and the insurance product are different items. The object referred to in independent claims 1, 10, 18, and 24, are associated with a transmitter, to communicate the location of the object. The object, for example, may be a watch, a vehicle, or other tangible personal property. See e.g., Specification p. 7, paragraph [0026]. On the other hand, the insurance product, may be a policy, warranty, instrument, coverage plan, etc., relating to risk coverage such as an insurance policy, a warranty, an underwriting, etc. Because the risk associated with the object may change based on the dynamically changing location of the object, the price of the insurance product may

also change dynamically. Accordingly, the system for selling or pricing the insurance product cited in independent claims 1, 10, 18, and 24 which are associated with an object and that object's location, is not disclosed, taught, or suggested by a proper combination of Teicher et al. and Nel, Joao. Contrary to the Examiner's position, no combination of Teicher et al., Nel, and Joao teaches the selling of a insurance product based on the object location. The combined references may teach using pricing information based on sensing predetermined criteria, but does not teach pricing of an insurance product, like an insurance policy premium, based on the location of an object. Accordingly, the teachings of Teicher et al., Nel, and Joao are significantly different than the teachings recited in independent claims 1, 10, 18, and 24. Therefore, the rejections of independent claims 1, 10, 18, and 24 are requested to be withdrawn.

With regard to independent claims 16 and 25, neither Teicher et al., Nel, nor Joao alone, or in any proper combination, discloses a method of monitoring usage of a product for application of a product warranty. Nowhere does Teicher et al., Nel, or Joao disclose monitoring a product warranty. Nowhere does Teicher et al., Nel, or Joao disclose, teach, or suggest the monitoring of operational data relating to the product and/or comparing the operational data to at least one operational specification relating to the product. As disclosed by the Examiner, Teicher et al. discloses a sales promotion system including a pricing aspect thereof. The system in Teicher et al. does not disclose monitoring operational data relating to the product and comparing the operational data to at least one operational specification. As described in Appellants' specification, the operational data may be used to determine whether the warranty is still valid and/or the level or value of such warranty. Accordingly, there is no such teachings in Teicher et al., Nel, or Joao for warranty monitoring. Accordingly, the rejections to independent claims 16 and 25 and their respective dependent claims are requested to be withdrawn.

**C. REJECTION OF CLAIMS 8, 9, 15, and 18 under 35 U.S.C. §103(a) over Teicher et al., Nel, Joao, and Von Kohorn.**

In the final Office Action dated October 26, 2004, Claims 8, 9, 15, and 18 were rejected under 35 U.S.C. § 103(a) as being obvious over U.S. Patent No. 5,933,813 (Teicher et al.), U.S.

Patent No. 6,507,823 (Nel), and U.S. Patent No. 6,725,201 (Joao) in view of U.S. Patent No. 5,227,874 (Von Kohorn).

**I. The Examiner's rejection of Claims 8, 9, 15, and 18 under 35 U.S.C. § 103(a) over Teicher et al., Nel, Joao, and Von Kohorn, should be reversed because there is no suggestion to combine the teachings of Teicher et al., Nel, Joao, and Von Kohorn, with knowledge of one of ordinary skill in the art and claim limitations of each of claims 8, 9, 15, and 18 are not taught by any combination of the references.**

Appellants respectfully submit that the arguments provided in Section B of this Appeal Brief are equally applicable to claims 8, 9, 15, and 18 in that the addition of the Joao reference does not provide the deficiencies of the references described in Section B. Accordingly, Appellants request the reversal of the rejection of claims 8, 9, 15, and 18.

### **CONCLUSION**

In view of the foregoing, the Appellants submit that Claims 1, 2, 5-7, 10-14, 16-20, 22, and 24-29 are not properly rejected under 35 U.S.C. § 103(a) over U.S. Patent No. 5,933,813 (Teicher et al.), U.S. Patent No. 6,507,823 (Nel), U.S. Patent No. 6,725,201 (Joao), and U.S. Patent No. 5,227,874 (Von Kohorn), and are therefore patentable. Accordingly, the Appellants respectfully request that the Board reverse all claim rejections and indicate that a notice of allowance respecting all pending claims should be issued.

Respectfully submitted,

Date March 28, 2005

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**CLAIMS APPENDIX**

1. A system for selling or pricing an insurance product, comprising:
  - an object that is insured or capable of being insured by the insurance product;
  - a wireless communications system at the same location as the object;
  - a location determining system associated with the object and capable of determining the object's location at any time;
  - a data collection system configured to collect data at predetermined intervals from the location determining system, the data including a present location of the object determined from the location determining device; and
  - a pricing system in communication with the data collection system, the pricing system configured to price or sell the insurance product, based on the data.
2. The system of Claim 1, wherein the pricing system is in electronic communication with the data collection system via wireless transmitter.
- 3-4. (Cancelled).
5. The system of Claim 1, wherein the data relating to the product is data relating to at least one of a selected operational parameter, temperature, humidity, hours of operation, and time between service.
6. The system of Claim 1, wherein the data collection system further comprises a data storage system.
7. The system of Claim 6, wherein the data storage system is configured to communicate with the pricing system.
8. The system of Claim 1, wherein the product is an insurance policy.
9. The system of Claim 1, wherein the product is a warranty.

10. A system for selling or pricing an insurance product, comprising:
  - an object insured or capable of being insured by the insurance product;
  - a wireless communications system coupled to the object;
  - a location determining system coupled to the object and capable of determining the object's location when predetermined conditions are met;
    - a data collection system configured to collect data from the wireless communications system, the data including the object's present location determined from the location determining device; and
    - a pricing system in communication with the data collection system, the pricing system configured to price or sell the insurance product, based on the data including the location of the object,
  - wherein the pricing system communicates the price of the insurance product to an owner of the object.
11. The system of Claim 10, wherein receiving data further comprises receiving data at predetermined intervals.
12. The system of Claim 10, wherein receiving data from a remote location further comprises receiving data from a remote transmitter.
13. The system of Claim 12, wherein the remote transmitter is a wireless transmitter.
14. The system of Claim 13, wherein the remote transmitter is a wireless location transmitter.
15. The system of Claim 10, wherein the data related to the subject further comprises data related to at least one of location, security system status, fire protection system status, crime statistics, environmental conditions, usage time, time of day, and day of year.

16. A method of monitoring usage of a product for application of a product warranty, comprising:

monitoring operational data relating to the product with an operational monitoring system while the product is in use by a user of the product;

communicating the operational data to a usage monitoring system using a remote communications means coupled to the operational monitoring system;

recording the operational data relating to the use of the product by the usage monitoring system;

comparing the operational data to at least one operational specification relating to the product usage; and

determining whether terms of the product warranty have been altered based on the comparison.

17. The method of Claim 16, wherein the operational data is at least one of temperature data, time between service, pressure, mileage between service, humidity, user, time of day, and day of year.

18. A method for pricing an insurance product, comprising:

receiving information from a global positioning system (GPS) receiver coupled with an object, the information received from a remote transceiver that is in communication with the GPS receiver, the information including a location of the object;

collecting the information in a database; and

generating the price of the insurance product based on the information collected in the database.

19. The method of Claim 18, wherein receiving information further comprises receiving information at predetermined intervals.

20. The method of Claim 18, wherein the remote transmitter is a wireless transmitter.

21. (Cancelled).
22. The method of claim 18, wherein the insurance product comprises at least one of an insurance policy, an insurance premium, and a warranty.
23. (Cancelled).
24. A processing system comprising:
  - a receiver configured to continuously receive data relating to an insurance product at predetermined periodic intervals, the insurance product insuring an object, the receiver receiving the data representative of the location of the product;
  - a central processing unit (CPU) coupled to the receiver; and
  - a storage device coupled to the CPU, and having stored there information for configuring the CPU to
    - generate correlated data by correlating the received data to actuarial data, and
    - generate a price in accordance with the correlated data which takes into account, in the price, the location of the product during a defined period of time which spans a plurality of periodic intervals.

25. A processing system comprising:
  - a receiver configured to receive data relating to the state of an object at predetermined periodic intervals;
  - a central processing unit (CPU) coupled to the receiver; and
  - a storage device coupled to the CPU, and having stored there information for configuring the CPU to
    - collect operational specification data relating to a warranty, and
    - compare the received data relating to the state of the object, to the operational specification data relating to the warranty;
    - determining whether the terms of the warranty have been breached based on the comparison;
    - indicating to an owner of the object, the determination.
26. The system of claim 1, wherein the object is an automobile.
27. The system of claim 1, wherein the object is a computer.
28. The method of claim 18, further comprising:
  - receiving information from an electronic sensor coupled to the object, the information received from a remote transceiver that is in communication with the electronic sensor.
29. The method of claim 18, wherein the price of the insurance product is changed at predetermined intervals, based on the information collected in the database up to the time of the price change.